



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Natural Resources**

DIVISION OF OIL AND GAS

550 West 7<sup>th</sup> Avenue, Suite 1100  
Anchorage, AK 99501-3560  
Main: 907-269-8800  
Fax: 907-269-8939

May 25, 2022

Shauna Holben  
Environmental Specialist  
Hilcorp Alaska, LLC  
3800 Centerpoint Drive #1400  
Anchorage, Alaska 99503

**RE: LOCI 78-156, Hilcorp Alaska, LLC, Cannery Loop Unit, Pad 3, Compressor Installation Unit Plan of Operations Amendment Decision.**

Dear Ms. Holben:

The Alaska Department of Natural Resources, Division of Oil and Gas (Division), in accordance with Alaska Statute 38.05 and Alaska Oil and Gas Leasing Regulations (11 AAC 83) grants authorization to conduct activities on state lands as proposed in the Cannery Loop Unit (CLU) Plan of Operations (Plan) amendment request dated May 2, 2022, for the above referenced project.

**Scope:**

Hilcorp Alaska, LLC (HAK) is requesting authorization to install a new compressor skid on Pad 3 in the Cannery Loop Unit. A foundation for the compressor skid would be constructed prior to the placement of the compressor skid. After placement, a trench would be excavated to place new piping, electrical cables, and fiber optic cables needed to tie-in the new compressor to existing infrastructure on the pad. The tie-in infrastructure would then be buried. The purpose of this project is to increase the gas deliverability capacity.

**Plan activities include:**

- Construct foundation for compressor skid.
- Installation of compressor skid.
- Trenching for tie-in infrastructure.
- Installation of tie-in infrastructure and connection to existing infrastructure.

**Location information:**

CLU

Pad 3

Meridian: Seward Township: 5N Range: 11W Section: 4

Latitude, Longitude: 60.5525 N, -151.2197 W

ADL: 324602

The CLU Pad 3 is located approximately one mile southeast of the city of Kenai near the Kenai River. The surface lands are privately owned.

**Agency review:**

The Division provided a review and comment opportunity for the activities considered for authorization under this decision. The following government entities were notified on May 5, 2022, for comment on the Plan: DNR: Division of Mining, Land and Water (DMLW), Department of Environmental Conservation (DEC), Alaska Department of Fish and Game (ADF&G), Division of Parks and Outdoor Recreation (DPOR), and the Kenai Peninsula Borough (KPB).

The DEC Drinking Water Program submitted a comment stating that the location of the project is near an active registered public water system (PWS) source. HAK will adhere to DEC's recommendations for general project activities near a PWS source.

**Conditions/Stipulations:**

A certified As-Built survey of the activity shall be provided within one year of placement of the improvement. This As-Built must contain a hard copy, as well as a digital GIS file containing a Shapefile or ESRI Feature Class.


Please attach this amendment approval with the original decision. This Unit Plan of Operations amendment approval is issued in accordance with Alaska Statute 38.05, Alaska Administrative Codes 11 AAC 83.346 and 11 AAC 83.303. The Division reviewed this amendment under the unit regulation for the Plan, 11 AAC 83.346, and considers the factors set forth in 11 AAC 83.303(a) and (b). The amendment was also evaluated against the CLU agreement for conformance.

This approval signifies only that the State of Alaska has no objection to the operations outlined in the Plan amendment application. It does not constitute certification of any property right or land status claimed by the applicant, nor does it relieve the applicant of responsibility to obtain approvals or permits from other persons or governmental agencies that may also be required. All stipulations contained in the original lease and subsequent Plan approvals remain in full force and effect.

If activities have not commenced, this approval expires on May 25, 2025. Failure to comply with the terms and conditions outlined in the lease, the attached stipulations, and this authorization may result in revocation of this unit operations approval.

Any questions or concerns about this amendment may be directed to Natural Resource Specialist Ashley Ethridge at 907-269-8815 or emailed to [ashley.ethridge@alaska.gov](mailto:ashley.ethridge@alaska.gov).

Sincerely,

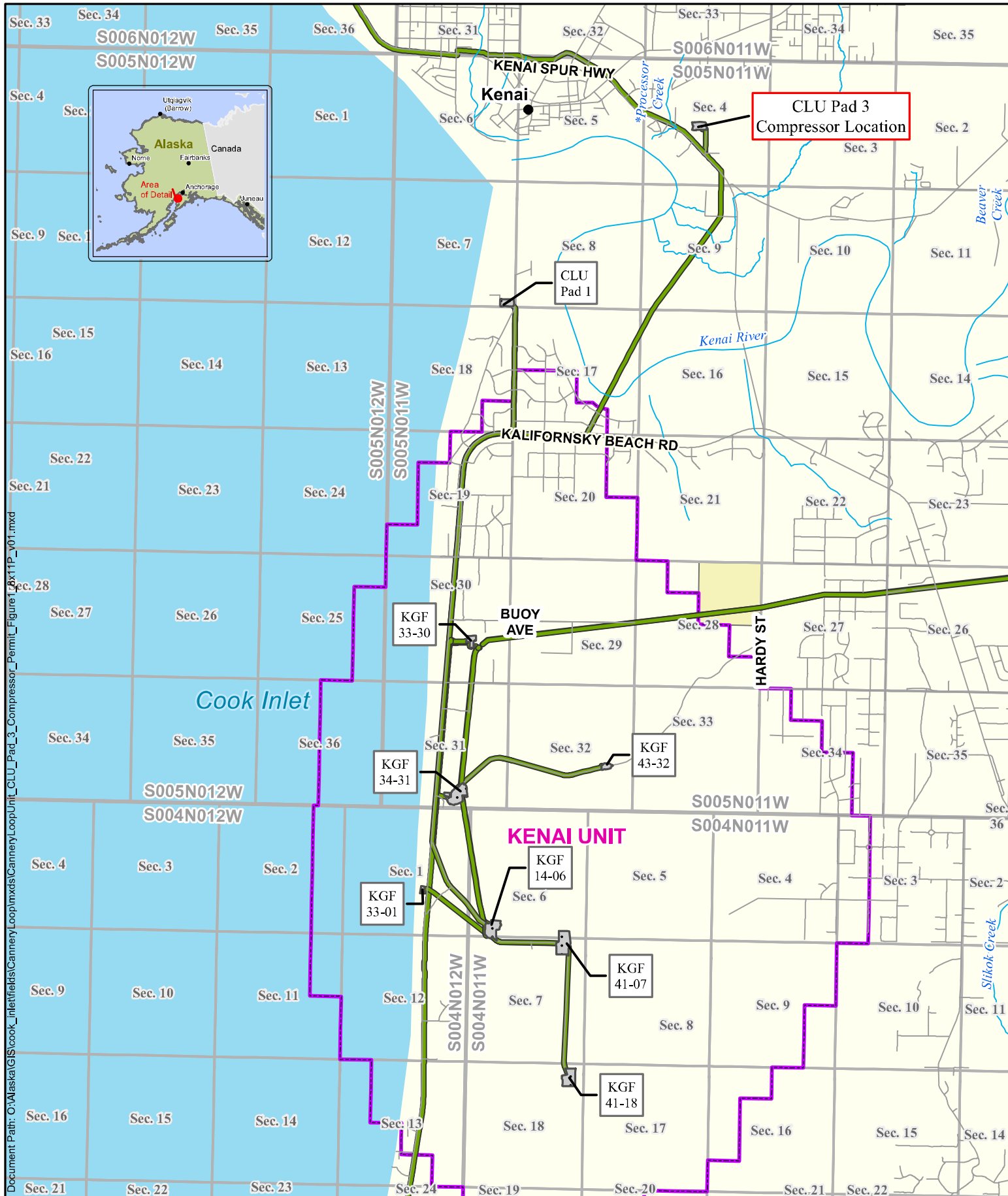
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0050FDD48FD6464...

James Hyun  
Natural Resource Specialist

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of “issuance” of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b). This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Attachments: Figures 1-2  
2018 Cook Inlet Mitigation Measures

ecc: DOG: Graham Smith, Jacob Rowland, Alex Zinck, and DOG Units  
DMLW: Clifford Larson, and Henry Brooks  
ADF&G: Ronald Benkert  
ADEC: DEC Agency Reviews and DEC Water Oil and Gas  
DPOR: Pamela Russell  
KPB: Marcus Mueller



Hilcorp Alaska, LLC  
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- Pipelines (Hilcorp/Harvest)
- Pipelines (Other)
- Well Pads
- Oil and Gas Unit Boundaries

## Cannery Loop Unit CLU Pad 3 Compressor Figure 1 - Vicinity





